OXYTECH'S NON-ASBESTOS DIAPHRAGMS

POLYRAMICS(PMX)

PLAINTIFF'S EXHIBIT
4840

* OxyTech sent a letter to the EPA (June 16, 1988)
  - States that PMX is a commercially demonstrated economic alternative to asbestos diaphragms for chlor-alkali production
  - Inconsistent with position of DOW and Chlorine Institute
  - DOW responded via the Chlorine Institute to the EPA

* Early discussions between DOW & OxyTech in Sept 86
  - PMX diaphragms are made from Teflon/zirconium fibers
  - Talks discontinued as a result of polymer modified asbestos diaphragm patent issues

* Plant trials in progress (only a few cells)
  - Stauffer
  - GE
  - Several Occidental plants

* OxyTech's Marketing Strategy
  - No licensing fee
  - Sell fibers and draw technology

* Economics
  - Estimated price of $20/kg for raw fibers (50% NaCl)
  - Raw material cost for one M-83 cell = $18,000
  - Key factors:
    - existing asbestos diaphragm life
    - current density
    - asbestos handling/disposal costs

* Plans are to evaluate PMX diaphragms in lab cells

ST0706696

7/88

*** DOW CONFIDENTIAL ***